

**HOMELESS SERVICES OVERSIGHT COUNCIL
ACTION ITEM
JANUARY 15, 2014**

AGENDA ITEM NUMBER 4.4.1

ITEM: APPROVE THE AD HOC GRANT REVIEW COMMITTEE'S RECOMMENDED PRIORITIZATION OF CONTINUUM OF CARE APPLICATIONS TO BE SUBMITTED TO HUD FOR RENEWAL IN THE AMOUNT OF \$1,031,601

ACTION REQUIRED: Vote to recommend to the Board of Supervisors the ranking of the FY 2013 (14-15 program year) Continuum of Care grant applications as shown in Table A below:

TABLE A:

TIER 1			
Ranking	Project Name	Project Amount	Project Score
1	North County Permanent Housing with Supports (TMHA) – 10 beds	\$56,049	94%
2	North County Permanent Housing and Case Management (CAPSLO) – 6 beds	\$49,028	90%
3	North County Permanent Housing (TMHA) – 11 beds	\$112,363	90%
4	SLO City Transitional Housing and Case Management Program (TMHA and CAPSLO) – 20 beds plus case management	\$483,009	88%
5	South County Supportive Services Only (CAPSLO) – case management only/no beds	\$215,422	88%
6	Homeless Management Information System	\$61,160	N/A
TIER 2			
Ranking	Project Name	Project Amount	Project Score
1	South County Permanent Housing (CAPSLO) – 5 beds	\$54,570	90%
TOTAL REQUEST:		\$1,031,601	

SUMMARY NARRATIVE:

On November 22, 2013, the U.S. Department of Housing and Urban Development (HUD) released the FY 2013 Notice of Funding Availability (NOFA) for the Continuum of Care (CoC) grant.

On Friday, December 6, 2013, the County released on its website and the Tribune published a Request for Proposals, asking for applications for the CoC program. On December 6, 2013, the County also published rating criteria on its website. Applications were due to the County on December 20, 2013. No new funding is available from HUD this year, so only renewal grants or reallocations of an existing grant were accepted.

There are currently seven CoC funded renewal projects as shown in the Table A in this report, which total \$1,031,601 (the Annual Renewal Demand, or “ARD”). All renewal projects must be ranked as Tier 1 or Tier 2. All renewals except for one will be ranked in Tier 1, as HUD requires that at least five percent of the ARD (\$51,580) must be ranked in Tier 2. HUD is requiring this ranking because it is not confident that the Federal budget will include enough funding to renew all projects nationwide. CoCs that receive a higher score have a better chance of being awarded projects ranked in Tier 2. Also, HUD will fund applications in Tier 2 in a priority order, with renewal Permanent Supportive Housing projects being its first priority.

An ad hoc grant review subcommittee met on January 10, 2014 to review and rank the CoC applications. The subcommittee recommends that one of the Permanent Supportive Housing (PSH) projects be ranked in Tier 2 for several reasons. First, HUD will fund projects in Tier 2 in a priority order with renewal PSH projects being first priority, as previously mentioned. Renewal transitional housing projects will rank fourth in priority of funding nationally, Supportive Services Only (SSO) will rank seventh, and HMIS projects will rank eighth. Therefore, PSH projects will be funded first in Tier 2 nationwide, giving it the best chance of being funded. Also, the Transitional Housing (TH) and SSO projects start their new program year on June 1st, and the PSH projects start their new program year on December 1st. HUD will likely not announce Tier 2 renewals until after the June 1st date, which could interrupt the TH and SSO programs.

There are four CoC funded permanent supportive housing grants as shown in Table A. The “North County Permanent Housing and Case Management (CAPSLO)” PSH project with 6 beds cannot be ranked in Tier 2 because its grant amount is below the five percent threshold required to be ranked in Tier 2. In other words, the grant amount for this project is \$49,028 but a project with at least \$51,580 must be ranked in Tier 2. Of the remaining three PSH programs, it is recommended that the project with the lowest ranking score be ranked in Tier 2. The South County Permanent Housing (CAPSLO) and the North County Permanent Housing (TMHA) projects scored the same (90%). Since the South County Permanent Housing grant has five beds and totals \$54,570 and the North County Permanent Housing (TMHA) project has 11 beds and totals \$112,363, the subcommittee recommended that South County Permanent Housing be ranked in Tier 2. The purpose of the recommendation was to put the grant with the smallest amount of CoC funds and beds at risk.

The HSOC could consider putting the HMIS program in the amount of \$61,160 in Tier 2. The ad hoc grant review committee discussed this option but did not recommend this. HMIS participation and having an HMIS Administrator is a Federal requirement for receiving CoC funds, but it is also one of HUD’s lowest ranking priorities (eighth) when funding projects, so it is very likely it would not be funded. The CoC jeopardizes the entire CoC program if those funds (\$61,160) are lost and could not be replaced by another funding source. Therefore, it is recommended that the HMIS program also be ranked in Tier 1, but as the last project in that Tier.

BUDGET/FINANCIAL IMPACT: No financial impact to the HSOC.

STAFF RECOMMENDATION: Approve the CoC funded project rankings listed in Table A.